

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

UNITED STATES OF AMERICA,)	<u>INDICTMENT</u>
)	
Plaintiff,)	JUDGE
)	
v.)	CASE NO.
))	
)	
MICHAEL W. LEWIS,)	Title 18, United States Code,
DANIEL P. O'NEIL)	Sections 1951(a), 371 and 1001(a)(2)
)	
Defendants.)	

The Grand Jury charges:

GENERAL ALLEGATIONS

1. Beginning in or about 1955, the Ohio Bureau of Workers' Compensation ("OBWC") began assisting Ohio-based employers and employees to cover expenses related to workplace injuries by providing medical and compensation benefits for work-related injuries, diseases and deaths. Although its main office is located in Columbus, Ohio, the OBWC has 16 customer service offices located across the state of Ohio, including in the Northern District of Ohio. At all times relevant to the offenses charged in the Indictment, the OBWC had assets

which averaged approximately 19 billion dollars and was one of the largest exclusive state-fund workers' compensation bureaus in the United States. The assets of the OBWC were under the management and control of the Chief Financial Officer and the employees of the Investment Department. The overall operation of the OBWC involved and affected interstate commerce as did the management and execution of matters regarding its financial investments.

2. At all times relevant to the offenses charged in this Indictment, MICHAEL W. LEWIS was a licensed broker and security salesperson licensed by the State of Ohio's Department of Commerce, Division of Securities.

3. At all times relevant to the offenses charged in this Indictment, DANIEL P. O'NEIL was a licensed broker and security salesperson licensed by the State of Ohio's Department of Commerce, Division of Securities.

4. At all times relevant to the allegations in this Indictment, Terrence W. Gasper was a public official who held the position of Chief Financial Officer of the OBWC. In his official capacity, Terrence W. Gasper was in a position to exert both formal and informal influence over decisions regarding all financial matters related to the OBWC, including but not limited to, those regarding the selection, retention and funding of investments and investment or money managers and advisors as well as the brokerage firms which administered OBWC's investment portfolio.

5. In or about 1998, MICHAEL W. LEWIS, DANIEL P. O'NEIL and Terrence W. Gasper agreed that MICHAEL W. LEWIS and DANIEL P. O'NEIL would provide Terrence W. Gasper with a condominium, Unit E-21, Coral Harbor, and deeded boat slip #63, both located in the Coral Harbor Condominium Complex, Islamorada, Florida, in return for favorable

consideration from Terrence W. Gasper with respect to obtaining OBWC investment business and maintaining existing investment OBWC business which affected interstate and foreign commerce.

6. From on or about November 5, 1998 through November 9, 1998, Terrence W. Gasper visited Islamorada, Florida where he and his then girlfriend met with a real estate agent, viewed condominiums available for purchase and entered into a binding and assignable contract to purchase Unit E-21 and boat slip #63 at the Coral Harbor Club Condominium complex in Islamorada, Florida for \$345,000.

7. Terrence W. Gasper gave the real estate agent a \$500 personal check as a good faith down payment on Unit E-21 and boat slip #63. Terrence W. Gasper, however, never had any intention of actually purchasing Unit E-21 and boat slip #63 with his own money.

8. On or about November 9, 1998, Terrence W. Gasper sent a letter by facsimile from his office at the OBWC in Columbus, Ohio to the real estate agent in Islamorada, Florida extending his acceptance of the bid to purchase Unit E-21 and boat slip #63.

9. On or about November 12, 1998, MICHAEL W. LEWIS contacted the real estate agent representing Terrence W. Gasper and informed that person that he was Terrence W. Gasper's partner.

10. On or about November 16, 1998, Terrence W. Gasper's contract to purchase Unit E-21 and boat slip #63 was assigned to MICHAEL W. LEWIS and DANIEL P. O'NEIL, who thereafter jointly entered into a contract to purchase Unit E-21 and boat slip #63 for the same price, \$345,000, negotiated by Terrence W. Gasper.

11. MICHAEL W. LEWIS and DANIEL P. O'NEIL each placed a \$35,000 good faith down payment on Unit E-21 and the boatslip, for a total of \$70,000.

12. In order to complete the purchase of Unit E-21 and boat slip #63, Terrence W. Gasper, MICHAEL W. LEWIS and DANIEL P. O'NEIL used and caused to be used both the mail and interstate wire services.

13. On or about January 4, 1999, MICHAEL W. LEWIS and DANIEL P. O'NEIL closed on the purchase of Unit E-21 and boat slip #63 and became the rightful owners for a total purchase price of \$345,000.

14. With the permission of MICHAEL W. LEWIS and DANIEL P. O'NEIL, beginning as early as February 11, 1999 and continuing throughout his employment with the OBWC which ended in October, 2004, Terrence W. Gasper stayed at the condominium and treated it as if it were his own. Additionally, Terrence W. Gasper permitted others, including his girlfriend, her family members and her veterinarian to use the condominium free of charge.

15. Occasionally, Terrence W. Gasper would make a token rental payment to MICHAEL W. LEWIS in order to make it appear that his stays at Unit E-21 were legitimate.

16. On or about June 1999 to September 2004, MICHAEL W. LEWIS and DANIEL P. O'NEIL jointly paid the mortgage and all Coral Harbor Club Condominium complex fees related to Unit E-21 and boat slip #63 .

17. At all times relevant to the charges in the Indictment, MICHAEL W. LEWIS wrote checks payable to those close to Terrence W. Gasper, including a July 10, 2001 \$2,000 check to Terrence W. Gasper's then girlfriend with "Consulting" written in the memo line.

18. Terrence W. Gasper did not report his stays at Unit E-21 on his mandatory annual Ohio Ethical Disclosure forms filed for the years 1999 through 2004.

The Grand Jury further charges:

COUNT 1

(Hobbs Act Conspiracy: 18 U.S.C. § 1951(a))

1. The General Allegations contained in paragraphs 1- 18 of this Indictment are realleged and incorporated by reference in this Count.

2. From in or about November 1998 through in or about October 2004, the exact dates being unknown to the Grand Jury, in the Northern District of Ohio and elsewhere, MICHAEL W. LEWIS and DANIEL P. O'NEIL, defendants herein, and others known to the Grand Jury, conspired, combined, confederated and agreed to obstruct, delay and affect commerce and the movement of an article and commodity in commerce through extortion, by Terrence W. Gasper ("Gasper") obtaining, under color of official right, the property of another with his consent, to wit: that MICHAEL W. LEWIS and DANIEL P. O'NEIL jointly provided property to Gasper, including a condominium located in Islamorada, Florida, to which Gasper was given full and complete access for his personal use and enjoyment as well as the personal use and enjoyment of others close to Gasper, and other things of value, while Gasper was Chief Financial Officer of the OBWC in return for official acts to assist MICHAEL W. LEWIS and DANIEL P. O'NEIL in retaining and obtaining investment business involving the OBWC.

All in violation of Title 18, United States Code, Section 1951(a).

The Grand Jury further charges:

COUNT 2

(Conspiracy to Commit Honest Services Mail and Wire Fraud: 18 U.S.C. § 371)

1. The General Allegations contained in paragraphs 1 - 18 of this Indictment are realleged and incorporated by reference in this Count.

2. From in or about November 1998 through in or about October 2004, the exact dates being unknown to the Grand Jury, MICHAEL W. LEWIS and DANIEL P. O'NEIL, defendants herein, and Terrence W. Gasper ("Gasper"), conspired, combined, confederated and agreed (1) to devise a scheme and artifice to defraud the public, the OBWC and the citizens of the State of Ohio of their intangible right to the honest services of their public servant, Terrence W. Gasper, free from fraud, dishonesty, bias and conflicts of interest, (2) to knowingly cause the mailing, in any post office and authorized depository for mail matter, of any matter and thing to be sent and delivered by the U.S. Postal Service and commercial interstate carrier, for the purpose of executing and attempting to execute such scheme and artifice, and (3) to knowingly cause writings, signals and sounds to be transmitted by wire in interstate commerce, for the purpose of executing and attempting to execute such scheme and artifice, as set forth in the paragraphs below, in violation of Title 18, United States Code, Sections 1341, 1343 and 1346.

A. Object of the Conspiracy

3. It was part of the purpose and object of the conspiracy that Gasper, MICHAEL W. LEWIS and DANIEL P. O'NEIL agreed that Gasper would use his

official position and influence at the OBWC to assist MICHAEL W. LEWIS and DANIEL P. O'NEIL in obtaining and maintaining OBWC investment business in return for receiving use of a condominium located in Islamorada, Florida and other valuable consideration.

B. Manner and Means of the Conspiracy

4. The manner and means by which the conspiracy was carried out included, among others, the following:

5. Gasper, MICHAEL W. LEWIS and DANIEL P. O'NEIL would cause documents and information to be delivered to Florida from the Northern District of Ohio in order to purchase a condominium, Unit E-21, Coral Harbor Club Condominium complex, Islamorada, Florida, for the personal use and enjoyment of Gasper and his guests.

6. Gasper, MICHAEL W. LEWIS and DANIEL P. O'NEIL concealed the true nature and extent of their relationship, which was that MICHAEL W. LEWIS and DANIEL P. O'NEIL provided the condominium in Islamorada, Florida and other valuable consideration to Gasper in return for official acts performed by Gasper as Chief Financial Officer of the OBWC.

C. Overt Acts

7. In furtherance of the conspiracy, and to achieve its object, one or more of the co-conspirators committed and caused to be committed in the Northern District of Ohio, Eastern Division, and elsewhere, including but not limited to the following overt acts:

8. On or about the dates set forth below, Terrence W. Gasper, MICHAEL W. LEWIS and DANIEL P. O'NEIL executed and attempted to execute the scheme and artifice set forth above by causing the following matters and things to be mailed via the U.S. Postal Service and delivered by commercial interstate carrier as set forth below:

OVERT ACTS	ITEM/THING MAILED AND DELIVERED	DATE	ADDRESS
2	LEWIS' Check No. 2492 made payable to Atlantic Coral Harbor for \$1,525.97 for "E.21"	April 9, 2003	Atlantic Coral Harbor Condominium Association, Inc., 88181 Old Highway, Islamorada, FL 33036
3	LEWIS' Check No. 3464 made payable to Coral Harbor for \$1,684.65 for "Maintenance etc E.21"	October 10, 2004	Atlantic Coral Harbor Condominium Association, Inc., 88181 Old Highway, Islamorada, FL 33036
4	Letter from Florida Title of the Keys, Inc. To MICHAEL W. LEWIS and DANIEL P. O'NEIL transmitting, among other things, "a set of Keys to unit" E-21	January 4, 1999	2538 Dodd Road, Willoughby Hills, OH 44094
5	O'NEIL's Check No. 8152 made payable to Suntrust for \$10,600 for "Principal" on "Loan # 0001096858"	April 28, 2004	P.O. Box 79041, Baltimore, MD 21279-0041

9. On or about the dates set forth below, Gasper, MICHAEL W. LEWIS and DANIEL P. O'NEIL executed and attempted to execute the scheme and artifice set forth

above by causing writings, signals and sounds to be transmitted by wire in interstate and foreign commerce as set forth below:

OVERT ACTS	INTERSTATE WIRE COMMUNICATION	DATE
6	Telephone call from LEWIS in the Northern District of Ohio to Office of Realtor #1 in Florida leaving a message that he was Terrence Gasper's partner and was coming down on Monday.	November 12, 1998

All in violation of Title 18, United States Code, Section 371.

The Grand Jury further charges:

COUNT 3

1. The General Allegations contained in paragraphs 1- 18 of this Indictment are realleged and incorporated by reference in this Count.

2. On or about March 4, 2006, in the Northern District of Ohio, Eastern Division, in a matter within the jurisdiction of the United States Department of Justice, Federal Bureau of Investigation, MICHAEL W. LEWIS, defendant herein, knowingly and willfully made a false material statement, in that MICHAEL W. LEWIS falsely represented that Terrence W. Gasper (at the time of the statement, a former Chief Financial Officer of the OBWC) had no involvement in MICHAEL W. LEWIS' purchase of a condominium and a deeded boat slip located in Islamorada, Florida when in truth and in fact, as MICHAEL W. LEWIS then well knew, Gasper had indeed been involved in

MICHAEL W. LEWIS' purchase of the condominium and a deeded boat slip, located in Islamorada, Florida.

All in violation of Title 18, United States Code, Section 1001(a)(2).

The Grand Jury further charges:

COUNT 4

1. The General Allegations contained in paragraphs 1-18 of this Indictment are realleged and incorporated by reference in this Count.

2. On or about March 7, 2006, in the Northern District of Ohio, Eastern Division, in a matter within the jurisdiction of the United States Department of Justice, Federal Bureau of Investigation, DANIEL P. O'NEIL, defendant herein, knowingly and willfully made a false material statement, in that DANIEL P. O'NEIL falsely represented that Terrence W. Gasper (at the time of the statement, a former Chief Financial Officer of the OBWC) had not provided any input into DANIEL P. O'NEIL's purchase of a condominium in Islamorada, Florida, when in truth and in fact, as DANIEL P. O'NEIL then well knew, Gasper had indeed provided input into the purchase of the condominium and a deeded boat slip, located in Islamorada, Florida that DANIEL P. O'NEIL purchased.

All in violation of Title 18, United States Code, Section 1001(a)(2).

A TRUE BILL

Original document – Signatures on file with the Clerk of Courts, pursuant to the E-Government Act of 2002.

United States v. Michael W. Lewis, Daniel P. O'Neil

A TRUE BILL.

FOREPERSON

GREGORY A. WHITE
UNITED STATES ATTORNEY